

## **EXHIBIT F**

### **INSURANCE REQUIREMENTS**

#### **I. INSURANCE REQUIREMENTS**

The Concessioner shall obtain and maintain during the entire term of this CONTRACT, at its sole cost and expense, the types and amounts of insurance coverage necessary to fulfill the obligations of the CONTRACT.

All policies shall provide for the United States and the Concessioner to be coinsured and for the United States not to be liable for any premium or deductible.

#### **II. LIABILITY INSURANCE**

The following Liability Coverages are to be maintained at a minimum, all of which are to be written on an occurrence basis only. The Concessioner may attain the limits specified below by means of supplementing the respective coverage(s) with Excess or Excess "Umbrella" Liability.

##### **A. Commercial General Liability**

1. Coverage will be provided for bodily injury, property damage, personal or advertising injury liability (and must include Contractual Liability and Products/Completed Operations Liability).

Bodily Injury and Property Damage Limit \$2,000,000  
Products/Completed Operations Limit \$2,000,000  
Personal Injury & Advertising Injury Limit \$2,000,000  
General Aggregate \$3,000,000  
Fire Damage Legal Liability ``per fire"

2. The liability coverages may not contain the following exclusions/limitations:

- a. Athletic or Sports Participants
- b. Products/Completed Operations
- c. Personal Injury or Advertising Injury exclusion or limitation
- d. Contractual Liability limitation
- e. Explosion, Collapse and Underground Property Damage exclusion
- f. Total Pollution exclusion

##### **B. Automobile Liability**

Coverage will be provided for bodily injury or property damage arising out of the ownership, maintenance or use of ``any auto," (Where there are no owned autos, coverage applicable to ``hired" and ``non-owned" autos, shall be maintained.)

Each Accident Limit \$1,000,000

**C. Excess Liability or Excess ``Umbrella" Liability**

This coverage is not required, but may be used to supplement any of the above Liability coverage policies in order to arrive at the required minimum limit of liability. If maintained, coverage will be provided for bodily injury, property damage, personal or advertising injury liability in excess of scheduled underlying insurance. In addition, coverage shall be at least as broad as that provided by underlying insurance policies and the limits of underlying insurance shall be sufficient to prevent any gap between such minimum limits and the attachment point of the coverage afforded under the Excess Liability or Excess ``Umbrella" Liability policy.

**D. Care, Custody and Control--Legal Liability**

Coverage will be provided for damage to property in the care, custody or control of the concessioner.

Any One Loss (Coverage shall be provided based upon maximum possible loss or reasonable estimate of maximum probable loss of property of others.)

**E. Special Provisions for Use of Aggregate Policies**

At such time as the aggregate limit of any required policy is (or if it appears that it will be) reduced or exhausted, the concessioner may be required to reinstate such limit or purchase additional coverage limits.

**F. Self-Insured Retentions**

Self-insured retentions on any of the above described Liability insurance policies (other than Excess ``Umbrella" Liability, if maintained) may not exceed \$5,000.

**G. Workers Compensation & Employers' Liability**

Coverage will comply with the statutory requirements of the state of Maine.

**III. PROPERTY INSURANCE**

**A. Building(s) and/or Contents Coverage**

1. Insurance shall cover buildings, structures, improvements & betterments and/or contents for all Concession Facilities, as more specifically described in Exhibit D of this CONTRACT.

2. Coverage shall apply on an ``All Risks" or ``Special Coverage" basis.

3. The policy shall provide for loss recovery on a Replacement Cost basis.

4. The amount of insurance should represent no less than 90% of the Replacement Cost value of the insured property.

5. The coinsurance provision, if any, shall be waived or suspended by an Agreed Amount or Agreed Value clause.

6. Coverage is to be provided on a blanket basis.

7. The Vacancy restriction, if any, must be eliminated for property that will be vacant beyond any vacancy time period specified in the policy.

#### B. Building Replacement Cost for Insurance Purposes

The replacement cost set forth below is as of March 2007 and is established for the sole purpose of assuring property insurance coverage and shall not be construed as having application for any other purpose. The Concessioner shall maintain parity of the insured value with the changing value of the property.

<u>Building</u>	<u>Replacement Cost</u>
Barn and office 2688 ft <sup>2</sup>	\$109,589
Stables D 3000 ft <sup>2</sup>	\$ 93,615
Stables B 1800 ft <sup>2</sup>	\$ 59,490
Stables C 1800 ft <sup>2</sup>	\$ 59,490
Stables A 1500 ft <sup>2</sup>	\$ 50,820
Total	\$373,004

#### C. Boiler & Machinery Coverage

1. Insurance shall apply to all pressure objects within Concession Facilities.

2. The policy shall provide for loss recovery on a Replacement Cost basis.

3. The amount of insurance should represent no less than 75% of the Replacement Cost value of the insured property.

4. Coverage is to be provided on a blanket basis.

5. If insurance is written with a different insurer than the Building(s) and Contents insurance, both the Property and Boiler insurance policies must be endorsed with a joint loss agreement.

#### D. Business Interruption and/or Expense

1. Business Interruption insurance, if maintained by the Concessioner, should cover the loss of income and continuation of fixed expenses in the event of damage to or loss of Concession Facilities. Extra Expense insurance shall cover the extra expenses above normal operating expenses to continue operations in the event of damage or loss to covered property.

#### E. Deductibles

Property Insurance coverages described above may be subject to deductibles as follows:

1. Direct Damage deductibles shall not exceed the lesser of 10% of the amount of insurance or \$25,000 (except Flood and Earthquake coverage may be subject to deductibles not exceeding \$50,000).
2. Extra Expense deductibles (when coverage is not combined with Business Interruption) shall not exceed \$25,000.

#### F. Required Clauses

##### 1. Loss Payable Clause:

A loss payable clause similar to the following must be added to Buildings and/or Contents, Boiler and Machinery, and Builders Risk policies:

``In accordance with Concession Contract No. CC-ACAD014-09 dated \_\_\_\_\_, between the United States of America and [the Concessioner] payment of insurance proceeds resulting from damage or loss of structures insured under this policy is to be disbursed directly to the Concessioner without requiring endorsement by the United States of America."

### **IV. INSURANCE COMPANY MINIMUM STANDARDS**

All insurance companies providing the above described insurance coverages must meet the minimum standards set forth below:

1. All insurers for all coverages must be rated no lower than A- by the most recent edition of Best's Key Rating Guide (Property-Casualty edition).
2. All insurers for all coverages must have a Best's Financial Size Category of at least VIII according to the most recent edition of Best's Key Rating Guide (Property-Casualty edition).
3. All insurers must be admitted (licensed) in the state in which the concessioner is domiciled.

### **V. CERTIFICATES OF INSURANCE**

All certificates of Insurance required by this CONTRACT shall be completed in sufficient detail to allow easy identification of the coverages, limits, and coverage amendments that are described above. In addition, the insurance companies must be

accurately listed along with their A.M. Best Identification Number ("AMB#"). The name, address and telephone number of the issuing insurance agent or broker must be clearly shown on the certificate of insurance as well.

Due to the space limitations of most standard certificates of insurance, it is expected that an addendum will be attached to the appropriate certificate(s) in order to provide the space needed to show the required information.

In addition to providing certificates of insurance, the concessioner, upon written request of the Director, shall provide the Director with a complete copy of any of the insurance policies (or endorsements thereto) required herein to be maintained by the concessioner.

## **VI. STATUTORY LIMITS**

In the event that a statutorily required limit exceeds a limit required herein, the higher statutorily required limit shall be considered the minimum to be maintained.